

EXHIBIT A TO THE MOTION

Affidavit of Mary Elizabeth McGarry

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Richard P. Krasnow, Esq.

Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re	:	Chapter 11
	:	Case No. 08-13555
LEHMAN BROTHERS HOLDINGS INC., et al.,	:	(Jointly Administered)
	:	
Debtors.	:	
	:	
-----X		

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

**AFFIDAVIT OF MARY ELIZABETH McGARRY FILED ON BEHALF OF SIMPSON
THACHER & BARTLETT LLP IN SUPPORT OF THE MOTION TO EXPAND THE
SCOPE OF RETENTION OF SIMPSON THACHER & BARTLETT LLP *NUNC PRO
TUNC* AS SPECIAL COUNSEL PURSUANT TO SECTIONS 327(e) AND 328(a) OF THE
BANKRUPTCY CODE AND RULE 2014 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE**

Mary Elizabeth McGarry, being duly sworn, states the following based upon personal knowledge and review of relevant documents:

1. I am a member of the firm of Simpson Thacher & Bartlett LLP ("Simpson Thacher" or the "Firm"), 425 Lexington Avenue, New York, New York 10017, and am admitted to practice law in the State of New York, the United States District Courts for the Southern and Eastern Districts of New York, the District of Colorado and the Eastern District of Wisconsin, the United States Courts of Appeals for the Second, Sixth and Tenth Circuits, and the United States Supreme Court.

2. On November 21, 2008, the Court approved the application dated November 3, 2008 (the "Application") [Docket No. 1352] filed by the Debtors seeking authorization *nunc pro tunc* to the Commencement Date to employ Simpson Thacher as special counsel to Lehman Brothers Holdings Inc. ("LBHI") for certain non-bankruptcy related postpetition matters that are now concluded, and authorization *nunc pro tunc* to the Commencement Date to continue to pay the fees and expenses of Simpson Thacher in connection with a litigation and related insurance claim, as further described in my Affidavit dated October 31, 2008 (the "October 31, 2008 McGarry Affidavit") submitted as Exhibit A to the Application, and my Affidavit dated November 18, 2008 (the "November 18, 2008 Supplemental McGarry Affidavit"), submitted to the Court on November 18, 2008 in connection with the Application [Docket No. 1588].

3. I now submit this affidavit (the "Affidavit") in support of the Debtors' Motion to Expand the Scope of Retention of Simpson Thacher as Special Counsel Pursuant to Sections 327(e) and 328(e) of the Bankruptcy Code and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Motion to Expand") to include the additional matters described

below (the “Additional Matters”), *nunc pro tunc* to the respective dates of engagement of Simpson Thacher by the Debtors with respect to the Additional Matters (collectively, the “Engagement Dates”) and to provide additional disclosures as required under Bankruptcy Rules 2014(a) and 2016(b). Any capitalized term not expressly defined herein shall have the meaning ascribed to it in the Application, the October 31, 2008 McGarry Affidavit, the November 18, 2008 Supplemental McGarry Affidavit or the Motion to Expand.

4. All facts set forth in this Affidavit are based upon information from, and discussions I or other Simpson Thacher personnel reporting to me have had with, certain of my colleagues and the attorney at Simpson Thacher responsible for conflicts matters. The facts below and set forth on Exhibit A hereto are also based on a review of the Conflicts Checklist provided by Weil, Gotshal & Manges LLP (“WGM”) to Simpson Thacher on February 20, 2009 (the “February 20, 2009 Conflicts Checklist”), setting forth additional creditors and other parties in interest of the Debtors, performed by the persons within Simpson Thacher responsible for maintaining records of our representations, with the assistance of an attorney at Simpson Thacher.¹ Based on the foregoing, if I were called upon to testify, I could and would testify competently to the facts set forth herein. I am authorized to submit this Affidavit on behalf of Simpson Thacher.

Services Performed by Simpson Thacher to Date

5. By the Application, LBHI sought to retain Simpson Thacher as special counsel to LBHI pursuant to section 327(e) of the Bankruptcy Code, *nunc pro tunc* to the Commencement Date, to perform legal services in connection with the following matters: (i)

¹ The February 20, 2009 Conflicts Checklist sets forth additional creditors and other parties in interest of the Debtors not previously included in the Conflicts Checklist provided to Simpson Thacher by WGM on October 21, 2008.

assisting LBHI with ongoing reporting obligations under the Securities and Exchange Act of 1934, (ii) assisting LBHI with respect to negotiations related to, and the closing of the sale of, the investment banking and capital markets businesses of Lehman Brothers Inc. ("LBI") to Barclays Capital, Inc., (iii) assisting LBHI with respect to the sale of the investment management division of LBI to Bain Capital, LLC and Hellman & Friedman LLC, and (iv) representing LBHI in connection with the testimony of Richard S. Fuld, Jr., Chairman of the Board and Chief Executive Officer of LBHI, before Congress, including production of LBHI documents to Congress. Other than with respect to follow-up requests in connection with these prior matters, Simpson Thacher's representation of LBHI in connection with these matters substantially concluded as of October 22, 2008. Simpson Thacher requested and received *nunc pro tunc* approval of the Application for these matters.

6. In addition, by the Application, the Debtors sought and received the Court's approval to pay Simpson Thacher's fees and expenses for its representation of LBA Y.K., a non-debtor indirect subsidiary of LBHI, in a litigation matter in federal district court captioned *LBA Y.K. vs. Marubeni America Corp.*, No. 08-3282 (S.D.N.Y.), and the appeal therefrom by Marubeni America Corporation to the United States Court of Appeals for the Second Circuit (the "U.S. LBA Action"), a proceeding under 28 U.S.C. § 1782 seeking U.S. discovery in aid of LBA Y.K.'s pending action against Marubeni Corporation in the Tokyo, Japan Civil Court (the "Japan LBA Action"). Additional information regarding Simpson Thacher's representation of LBA Y.K. and LBHI in connection with the U.S. LBA Action and the Japan LBA Action is set forth in the Application and the October 31, 2008 McGarry Affidavit.

Proposed Additional Services

7. The Debtors now seek to expand the scope of Simpson Thacher's retention as special counsel to perform legal services *nunc pro tunc* to the following Engagement Dates in connection with the following Additional Matters: (i) commencing on or around December 18, 2009, the representation of one or more of the Debtors in connection with insurance regulatory advice with respect to insurance company counterparties to derivatives contracts in circumstances where WGM is unable to provide such advice due to conflicts and (ii) commencing on or around February 13, 2009, the representation of Debtor Lehman Commercial Paper Inc. ("LCPI") with respect to its direct and indirect interests in loans (the "BAWAG Loans") that financed the 2007 acquisition of BAWAG PSK, an Austrian bank (the "BAWAG Matter").² The financing documentation in connection with the BAWAG Loans is governed by English law. Thus, representatives of the Non-Debtor Lehman Affiliates sought out two English qualified partners in Simpson Thacher's London office, Ian Barratt and Tony Keal, to work on the BAWAG Matter who are widely recognized in London as being leaders in the financing of cross-border leveraged acquisitions in Europe. Because the Non-Debtor Lehman Affiliates have retained Simpson Thacher in connection with the BAWAG Matter, the Debtors believe it would

² Simpson Thacher also represents the following non-debtor Lehman affiliates (the "Non-Debtor Lehman Affiliates") in connection with the BAWAG Matter: Lehman Brothers European Mezzanine 2004 Lux, S.a.r.l.; Lehman Brothers European Mezzanine Leveraged Partners 2003 – A, S.a.r.l.; Lehman Brothers European Mezzanine Leveraged Partners 2003 – B, S.a.r.l.; Lehman Brothers European Mezzanine Partners 2003 – A, S.a.r.l.; Lehman Brothers European Mezzanine Partners 2003 – B, S.a.r.l.; Lehman Brothers European Mezzanine Partners 2003 – C, S.a.r.l.; Lehman Brothers European Mezzanine Partners 2003 – D, S.a.r.l.; Lehman Brothers European Mezzanine Retail 2003- A, S.a.r.l.; Lehman Brothers European Mezzanine Retail 2003 – B, S.a.r.l.; Lehman Brothers European Mezzanine LB, S.a.r.l. Pursuant to fee and expense arrangements agreed between Lehman and Simpson Thacher, the Non-Debtor Lehman Affiliates will be responsible for payment of a percentage of the fees and expenses to be paid to Simpson Thacher for its work on the BAWAG Matter that is proportionate to the Non-Debtor Lehman Affiliates' shares of the BAWAG Loans.

be efficient and cost-effective for Simpson Thacher to also represent LCPI in connection with the BAWAG Matter.

Additional Disclosures

8. As set forth in the October 31, 2008 McGarry Affidavit, the Debtors are a large global enterprise with thousands of parties in interest. Simpson Thacher is one of the largest law firms in the United States and (a) may from time to time have represented, (b) may currently represent, and (c) may in the future represent many entities that are parties in interest in these cases in matters unrelated to the Debtors. Persons within Simpson Thacher who handle conflicts checks have reviewed our databases of matters for which the firm has been engaged for “connections” to any of the persons or entities identified in the February 20, 2009 Conflicts Checklist. Our search results indicate that Simpson Thacher currently represents (or in some cases formerly represented)³ certain of the persons or entities identified in the February 20, 2009 Conflicts Checklist (or one or more affiliates of such persons or entities) in unrelated matters, as described in Exhibit A hereto. The disclosures set forth in Exhibit A hereto supplement and update the disclosures set forth in the October 31, 2008 McGarry Affidavit and the November 18, 2008 Supplemental McGarry Affidavit.

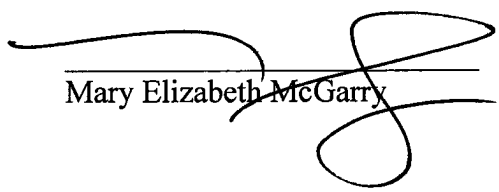
9. As described in further detail in the October 31, 2008 McGarry Affidavit, Simpson Thacher represents certain current and former officers, directors and employees in connection with investigations arising out of the business of LBHI and its affiliates and in civil litigation matters (the “Individuals”). Set forth in Exhibit B hereto is a list of civil actions in which the Individuals had not been served or that had not been commenced when the November 18, 2008 Supplemental McGarry Affidavit was executed.

³ As set forth in the October 31, 2008 McGarry Affidavit, Simpson Thacher’s conflicts database maintains records of current and former clients from 1991 to the present.

10. Finally, as described in further detail in the October 31, 2008 McGarry Affidavit, Simpson Thacher has historically been, with the consent of the Debtors, and continues to be, adverse to the Debtors and their affiliates in a variety of matters. As described in the October 31, 2008 McGarry Affidavit, from time to time, Simpson Thacher has advised, and may continue to advise, certain of these clients as to the impact of the Debtors' cases on the matters and transactions for which those clients had previously retained Simpson Thacher. Set forth in Exhibit C hereto is a list of those clients Simpson Thacher currently represents who are potentially adverse to the Debtors on matters in which Simpson Thacher was engaged after the November 18, 2008 Supplemental McGarry Affidavit was executed. The list set forth in Exhibit C hereto supplements the disclosures regarding Simpson Thacher clients who may be adverse to the Debtors contained in Exhibit B to the October 31, 2008 McGarry Affidavit.

11. The foregoing constitutes the statement of Simpson Thacher pursuant to section 327(e) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016(b).

Dated: New York, New York
March 24, 2009


Mary Elizabeth McGarry

Sworn to before me this 24th day of March, 2009

/s/ Andrew Laird

Notary Public, State of New York

No. 01LA6195177

Qualified in New York

Commission Expires: October 20, 2012

ANDREW LAIRD
Notary Public, State of New York
No. 01LA6195177
Qualified in New York County
Commission Expires October 20, 2012

EXHIBIT A TO THE AFFIDAVIT

**SUPPLEMENTAL DISCLOSURE REGARDING MATTERS SET FORTH IN EXHIBIT
A TO THE OCTOBER 31, 2008 McGARRY AFFIDAVIT AND ANNEX I (PART I) TO
THE NOVEMBER 18, 2008 SUPPLEMENTAL McGARRY AFFIDAVIT**

Except where specifically noted in the "Description" column of this Exhibit, Simpson Thacher does not represent any client listed herein in connection with the Debtors or the Debtors' chapter 11 cases.

Significant Leases

Category	Lease Counterparty	Description of Representation
Significant Leases	Deutsche Bank AG, New York Branch	Deutsche Bank AG, New York Branch is a Simpson Thacher client. Simpson Thacher also represents other affiliates of Deutsche Bank AG, New York Branch.
Significant Leases	Clifford Chance US LLP	Clifford Chance US LLP is a former Simpson Thacher client for which all matters are closed. Simpson Thacher last billed time to such matters in 2006.
Significant Leases	CPR (USA) Inc.	CPR (USA) Inc. is a former Simpson Thacher client, which the Firm represented in one litigation matter.
Significant Leases	AIG Technologies, Inc.	AIG Technologies, Inc. is not a Simpson Thacher client, but is an operating subsidiary of AIG, Inc. Simpson Thacher represents AIG, Inc. and a number of its other affiliates.
Significant Leases	Historic TW Inc.	Historic TW Inc. is not a Simpson Thacher client, but is a subsidiary of Time Warner Inc., which is a Simpson Thacher client.
Significant Leases	National Union Fire Insurance Company of Pittsburgh, PA	National Union Fire Insurance Company of Pittsburgh, PA is not a Simpson Thacher client, but is a subsidiary of AIG, Inc. AIG, Inc. and a number of its other affiliates are Simpson Thacher clients.

Informal LBHIO Bond Holders Group

Category	Individual/ Entity	Description
Informal LBHIO Bond Holders Group	Alliance Bernstein	Alliance Bernstein is not a Simpson Thacher client. Alliance Bernstein is controlled by AXA. Simpson Thacher represents AXA Equitable Life Insurance, an AXA affiliate. Simpson Thacher has previously

		represented other AXA affiliates, but such matters are closed.
Informal LBHIO Bond Holders Group	King Street Capital Management, L.L.C.	King Street Capital Management, L.L.C. is a Simpson Thacher client. Simpson Thacher also represents certain clients as investors in funds sponsored by King Street Capital Management, L.L.C.

Potential Parties in Interest

Category	Individual/ Entity	Description
Potential Parties in Interest	Bank of America, N.A.	Simpson Thacher represents Bank of America, N.A. and various of its affiliates.
Potential Parties in Interest	Duke Energy Ohio, Inc.	Duke Energy Ohio, Inc. is an affiliate of Duke Energy Corporation, which is a former Simpson Thacher client for which the Firm last did work in 2005.
Potential Parties in Interest	Dresdner Bank A.G.	Dresdner Bank is a former Simpson Thacher client for which all matters have been closed since 2003. Simpson Thacher also represented various Dresdner affiliates.
Potential Parties in Interest	Cognizant Technology Solutions	Cognizant Technology Solutions is a former Simpson Thacher client for which the Firm last did work in 2004.
Potential Parties in Interest	Sumitomo Trust & Banking Co., LTD	Sumitomo Trust & Banking Co., LTD is a former client that Simpson Thacher represented in one matter that closed in 1999. Sumitomo Trust & Banking Co., LTD is part of the Sumitomo Group. Simpson Thacher represents and acts as underwriters' counsel for some members of the Sumitomo Group. The companies in the Sumitomo Group are part of a keiretsu- <i>i.e.</i> , they are loosely linked by cross ownership.
Potential Parties in Interest	D.E. Shaw Composite Portfolios, LLC	D.E. Shaw Composite Portfolios, LLC is not a Simpson Thacher client, but is a subsidiary of D.E. Shaw & Co., which is a former Simpson Thacher client.
Potential Parties in Interest	D.E. Shaw Oculus Portfolios, LLC	D.E. Shaw Oculus Portfolios, LLC is not a Simpson Thacher client, but is a subsidiary of D.E. Shaw & Co., which is a former Simpson Thacher client.
Potential Parties in Interest	State Street Bank	State Street Bank & Trust Company is not a Simpson Thacher client. It is a subsidiary of State Street Corporation. Simpson Thacher represented a Special Committee of outside directors of State

		Street Corporation in one matter that was closed in January 2009.
Potential Parties in Interest	Commerzbank A.G.	Commerzbank is a former Simpson Thacher client for which the Firm last did work in 2004.
Potential Parties in Interest	Och-Ziff	Och-Ziff Capital Management Group LLC is a Simpson Thacher client.
Potential Parties in Interest	Mitsubishi UFJ, Ltd.	Mitsubishi UFJ Financial Group, Inc. is a Simpson Thacher client. Simpson Thacher also represents certain other affiliates of Mitsubishi UFJ, Ltd.
Potential Parties in Interest	ING Real Estate Finance	Simpson Thacher does not represent ING Real Estate Finance, but the Firm represents ING REI Clarion, the U.S. investment management arm of ING Real Estate, which is part of ING Group. Simpson Thacher also represents other ING Group affiliates.
Potential Parties in Interest	Hellman & Friedman	Simpson Thacher represents Hellman & Friedman and certain Hellman & Friedman portfolio companies.
Potential Parties in Interest	Goldman Sachs Credit Partners	Simpson Thacher represents Goldman Sachs Credit Partners and various of its affiliates.
Potential Parties in Interest	Wachovia Bank	Wachovia Bank is a client. Wachovia Bank has been acquired by Wells Fargo Bank. Simpson Thacher represents Wells Fargo Securities LLC in a litigation matter and does other work for Wells Fargo Bank.
Potential Parties in Interest	Wachovia Securities Ltd.	Wachovia Securities Ltd. is a client. Wachovia Securities Ltd. has been acquired by Wells Fargo Bank. Simpson Thacher represents Wells Fargo Securities LLC in a litigation matter and does other work for Wells Fargo Bank.
Potential Parties in Interest	Calyon Securities	Calyon Securities is not a Simpson Thacher client, but is an affiliate of Calyon, a Simpson Thacher client.
Potential Parties in Interest	Dubai International Capital LLC	Dubai International Capital LLC is not a Simpson Thacher client, but Simpson Thacher represents Mauser Holding GmbH, which is a portfolio company of Dubai International Capital LLC.
Potential Parties in Interest	HSBC Realty Credit	Simpson Thacher represents HSBC and certain of its affiliated companies.
Potential Parties in Interest	BRE Bank S.A.	BRE Bank S.A. is not a Simpson Thacher client, but is affiliated with Commerzbank, which is a former Simpson Thacher client.

Potential Parties in Interest	Fubon Securities Co.	Fubon Securities Co. is not a Simpson Thacher client. Simpson Thacher has done work for certain affiliates of the Fubon Group, but all matters are closed or inactive.
Potential Parties in Interest	Fubon Insurance Co.	Fubon Insurance Co. is not a Simpson Thacher client. Simpson Thacher has done work for certain affiliates of the Fubon Group, but all matters are closed or inactive.
Potential Parties in Interest	Taipei Fubon Commercial Bank Co.	Taipei Fubon Commercial Bank Co. is not a Simpson Thacher client. Simpson Thacher has done work for certain affiliates of the Fubon Group, but all matters are closed or inactive.
Potential Parties in Interest	Aon Consulting	Aon Consulting is not a Simpson Thacher client. AON Securities Company (a/k/a AON Capital Markets) has been a Simpson Thacher client, but the Firm has not done any work for such client since 2006. AON Risk Services, Inc. acts as Simpson Thacher's professional liability insurance broker and it and its affiliates advise Bar Assurance and Reinsurance Ltd., a captive insurer owned by Simpson Thacher and a number of other New York law firms. Simpson Thacher also may engage AON affiliates for other services from time to time.
Potential Parties in Interest	Shell Energy North America (US) L.P.	Shell Energy North America (US) L.P. (f/k/a Coral Energy Holding, L.P.) is not a Simpson Thacher client. Simpson Thacher does not represent Royal Dutch/Shell or any of its affiliates, including Shell Energy North America, but Shell International, a subsidiary of Royal Dutch/Shell, is a former client.
Potential Parties in Interest	Shell Trading (US) Company	Shell Trading (US) Company is not a Simpson Thacher client. Simpson Thacher does not represent Royal Dutch/Shell or any of its affiliates, but Shell International, a subsidiary of Royal Dutch/Shell, is a former client.
Potential Parties in Interest	Blackrock Financial Management	BlackRock, Inc. (" <u>BlackRock</u> ") is a Simpson Thacher client. Simpson Thacher has done work for BlackRock Financial Management, Inc., which is a subsidiary of BlackRock.
Potential Parties in Interest	Goldman Sachs & Co.	Goldman Sachs & Co. is a Simpson Thacher client, as are certain of its affiliates.
Potential Parties in Interest	J. Aron & Company	J. Aron & Company is a subsidiary of Goldman Sachs & Co. that Simpson Thacher represented in one matter that has been inactive since 2007.
Potential Parties in Interest	Infospace Inc.	Infospace Inc. is a former client for which Simpson Thacher had one matter to which the Firm last

		billed time in 2006.
Potential Parties in Interest	Deere & Company	Deere & Company is not a Simpson Thacher client. However, Simpson Thacher represented the John Deere Foundation, the philanthropic arm of Deere & Company, in one matter to which the Firm last billed time in 2005.
Potential Parties in Interest	GE Corporate Financial Services, Inc.	Simpson Thacher has represented GE and certain of its affiliates from time to time, but has no current matters.
Potential Parties in Interest	Piper Jaffray and Co.	Simpson Thacher has represented Piper Jaffray and Co. as part of underwriting syndicates. Simpson Thacher also represented Piper Capital Management Inc., the asset management division of Piper Jaffray and Co., in connection with one matter that was closed in 1998.
Potential Parties in Interest	AIG Financial Products Corp.	Simpson Thacher represents AIG and various of its affiliates. The Firm has done work for AIG Financial Products.
Potential Parties in Interest	Amber Capital Investment Management	Simpson Thacher opened a matter to represent Amber Capital Investment Management in 2006, but the Firm never billed time to such matter, which is now closed. Amber Capital Investment Management was spun-off of Societe Generale, which may still retain an interest. Societe Generale is a Simpson Thacher client.
Potential Parties in Interest	Australia National Bank	Australia National Bank is a former Simpson Thacher client, for which the Firm last did work for such client in 2004.
Potential Parties in Interest	Cisco Systems Capital Corporation/Cisco Systems Inc./Cisco	Simpson Thacher does not represent Cisco Systems Capital Corporation, but Cisco Systems, Inc. is a Simpson Thacher client.
Potential Parties in Interest	Diversified Credit Investments LLC as agent for the Government of Singapore	Diversified Credit Investments LLC is not a Simpson Thacher client. However, Simpson Thacher has represented various affiliates of the Government of Singapore.
Potential Parties in Interest	Dun & Bradstreet	Simpson Thacher has represented Dun & Bradstreet, but has not done any work for such client since 2005.
Potential Parties in Interest	Electricite de France	Electricite de France is a former Simpson Thacher client for which the Firm last did work in 2005. Simpson Thacher has represented various affiliates of Electricite de France.
Potential Parties in Interest	Elliott Associates, L.P.	Elliott Associates, L.P. is a former Simpson Thacher client.

Potential Parties in Interest	EMC Corporation	EMC Corporation is not a Simpson Thacher client, but the Firm represents VMware, which is considered to be an EMC Corporation subsidiary.
Potential Parties in Interest	ICAP North America Inc.	ICAP North America Inc. is a Simpson Thacher client. In addition, Simpson Thacher represents several ICAP brokers in connection with an SEC investigation.
Potential Parties in Interest	LB VC Partners LP (VC Fund II)	Simpson Thacher assisted Lehman Brothers Merchant Banking in the formation of VC Fund II.
Potential Parties in Interest	Lehman Brothers First Trust Income Opportunity Fund Inc.	Simpson Thacher has assisted Lehman with respect to this fund.
Potential Parties in Interest	Lehman Brothers Merchant Banking Partners IV LP	Lehman Brothers Merchant Banking Partners IV LP is a Simpson Thacher client.
Potential Parties in Interest	Lloyds TSB Bank plc	Lloyds TSB Bank plc is a Simpson Thacher client.
Potential Parties in Interest	Goldman Sachs & Co.	Simpson Thacher represents Goldman Sachs & Co. and various of its affiliates.

Professionals Employed by the Debtors

Category	Individual/ Entity	Description
Professionals Employed by the Debtors	Norton Rose LLP	Norton Rose LLP is a former Simpson Thacher client for which all matters were closed in 2003 or prior.
Professionals Employed by the Debtors	Lazard Freres & Co.	Lazard Freres & Co. is a Simpson Thacher client.
Professionals Employed by the Debtors	Blake Cassels & Graydon LLP	Blake Cassels & Graydon LLP is a Simpson Thacher client. Blake Cassels & Graydon LLP was listed as a former client in Exhibit A to the October 31, 2008 McGarry Affidavit. On March 3, 2009, a new matter was opened for this client.

Litigation Claimants

Category	Individual/ Entity	Description
Litigation Claimants	Friedman, Billings, Ramsey Group, Inc.	Friedman, Billings, Ramsey Group, Inc. is a Simpson Thacher client.

Litigation Claimants	Deutsche Bank AG	Deutsche Bank AG is a Simpson Thacher client, as are certain of its affiliates.
Litigation Claimants	State Street Bank and Trust Company	State Street Bank and Trust Company is not a Simpson Thacher client, but is a subsidiary of State Street Corporation. Simpson Thacher represented a Special Committee of outside directors of State Street Corporation in one matter that was closed in January 2009.
Litigation Claimants	Bank of America, N.A.	Simpson Thacher represents Bank of America, N.A. and certain of its affiliates.

Largest Holders of Trade Debt

Category	Individual/ Entity	Description
Largest Holders of Trade Debt	Ernst & Young Private Limited	Ernst & Young Private Limited is not a Simpson Thacher client. However, Ernst & Young is a former Simpson Thacher client for which the Firm has done no work since 1994.
Largest Holders of Trade Debt	IPC Information Systems Inc.	IPC Systems, Inc. (which appears to be the same company as, or an affiliate of, IPC Information Systems Inc.) is a portfolio company of Silver Lake (a Simpson Thacher client). Simpson Thacher represented Silver Lake when it acquired IPC Systems, Inc. in 2006. IPC Systems, Inc. is also a separate Simpson Thacher client.

Professionals Retained by Significant Creditor Groups

Category	Individual/ Entity	Description
Professionals Retained by Significant Creditor Groups	Houlihan Lokey Howard & Zukin Capital, Inc.	Houlihan Lokey Howard & Zukin Capital, Inc. is a former Simpson Thacher client, but the Firm has not done any work for such client since 2007.

Selected Derivative Counterparties

Category	Individual/ Entity	Description
Selected Derivative Counterparties	Lexington Insurance Company	Lexington Insurance Company is a member company of AIG, which is a Simpson Thacher client.
Selected Derivative Counterparties	Deutsche Bank Trust Company Americas	Deutsche Bank Trust Company Americas is not a Simpson Thacher client, but is an affiliate of Deutsche Bank, which is a Simpson Thacher client.

Selected Derivative Counterparties	Chevron U.S.A. Inc.	Chevron U.S.A. Inc. is a Simpson Thacher client.
Selected Derivative Counterparties	Deutsche Bank National Trust Company	Deutsche Bank National Trust Company is not a Simpson Thacher client, but is an affiliate of Deutsche Bank, which is a Simpson Thacher client.
Selected Derivative Counterparties	NautaDutilh N.V.	Simpson Thacher previously represented Nauta Dutilh N.V., but has not done any work for such client since 2003.

Officers and Directors

Category	Individual/ Entity	Description
Directors and Officers	Jerry A. Grundhofer (Board of Directors: Former)	As set forth in Exhibits A and C to the October 31, 2008 McGarry Affidavit, Simpson Thacher represents Mr. Grundhofer. Mr. Grundhofer was identified in Exhibit A to the October 31, 2008 McGarry Affidavit as a "current" member of the Board of Directors. On Friday, March 13, 2009, Mr. Grundhofer resigned from the Board of Directors.
Officers and Directors	Wendy M. Uvino	Ms. Uvino is a Simpson Thacher client. As set forth in Exhibit C to the October 31, 2008 McGarry Affidavit, Simpson Thacher represents Ms. Uvino and other individuals who are current or former employees, officers and/or directors of Lehman in several ongoing regulatory, investigative and/or civil litigation matters.
Officers and Directors	Lana Franks	Ms. Franks is a Simpson Thacher client. As set forth in Exhibit C to the October 31, 2008 McGarry Affidavit, Simpson Thacher represents Ms. Franks and other individuals who are current or former employees, officers and/or directors of Lehman in several ongoing regulatory, investigative and/or civil litigation matters.

EXHIBIT B TO THE AFFIDAVIT

**SUPPLEMENTAL DISCLOSURE REGARDING MATTERS SET FORTH IN EXHIBIT
C TO THE OCTOBER 31, 2008 McGARRY AFFIDAVIT AND ANNEX I (PART II) TO
THE NOVEMBER 18, 2008 SUPPLEMENTAL McGARRY AFFIDAVIT**

Additional Civil Litigation Matters

**Tolin v. Richard S. Fuld, Jr., et al.; Azpiazu v. UBS Financial Services, Inc., et al.; and
Brooks Family Partnership, LLC v. Richard S. Fuld, Jr., et al.:**

The complaints in these actions were filed on November 18, 2008, November 19, 2008, and November 24, 2008, respectively. Together with the equity/debt cases named in the October 31, 2008 McGarry Affidavit, these cases were consolidated as *In re Lehman Brothers Equity/Debt Securities Litigation* before Judge Lewis A. Kaplan in the United States District Court for the Southern District of New York by his Order of January 9, 2009.

Zenith Insurance Co. v. Richard S. Fuld, Jr., et al.:

The complaint in this action, filed on November 19, 2008 in California state court, names as defendants Richard S. Fuld, Jr., Christopher O'Meara, Joseph M. Gregory, Erin Callan, Ian Lowitt, David Goldfarb, John F. Akers, Roger S. Berlind, Marsha Johnson Evans, Roland A. Hernandez and Henry Kaufman, in addition to Ernst & Young and "Does 1 through 20". Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

Openwave Systems, Inc. v. Richard S. Fuld, Jr., et al.:

The complaint in this action, filed on November 21, 2008 in California state court, names as defendants Richard S. Fuld, Jr., Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Joseph M. Gregory, David Goldfarb, Roland A. Hernandez, Henry Kaufman, John D. Macomber, Christopher M. O'Meara, Thomas A. Russo, Melissa Conroy Whitney, Tim Ford, and "Does 1 - 50". Simpson Thacher represents the individual named defendants, with the exception of Melissa Conroy Whitney and Tim Ford, who are represented by Jones Day. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel.

Retirement Housing Foundation, et al. v. Cain Brothers & Co., LLC, et al.:

The complaint in this action, filed on November 21, 2008 in California state court, names as defendants Richard S. Fuld, Jr., Christopher O'Meara, Erin Callan, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Joseph M. Gregory, Roland A. Hernandez, Henry Kaufman, John D. Macomber, Cain Brothers & Co., LLC, ACA Financial Guaranty Corporation, and "Does 1 - 140". Simpson Thacher represents

the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. ACA Financial Guaranty Corporation is represented by Fried Frank. Cain Brothers & Co. LLC is represented by Fulbright & Jaworski L.L.P.

Solton v. Richard S. Fuld, Jr., et al.:

The complaint in this action, filed on December 1, 2008 in California state court, names as defendants Richard S. Fuld, Jr., Christopher O'Meara, Joseph M. Gregory, Erin Callan, Ian Lowitt, David Goldfarb, John F. Akers, Roger S. Berlind, Marsha Johnson Evans, Roland A. Hernandez and Henry Kaufman, in addition to Ernst & Young and "Does 1 through 20". Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

City of South San Francisco v. Citigroup Global Markets, Inc.:

The complaint in this action, filed on December 16, 2008 in California state court, names as defendants Richard S. Fuld, Jr., Christopher O'Meara, Erin Callan, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez and Henry Kaufman, John D. Macomber, several underwriters, Ernst & Young, and "Does 1 through 20". Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. The underwriter defendants are being represented by Cleary, Gottlieb Steen & Hamilton. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

City of Long Beach v. Richard S. Fuld, Jr., et al.:

The complaint in this action, filed on February 5, 2009 in California state court, names as defendants Richard S. Fuld, Jr., Christopher O'Meara, Erin Callan, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, and John D. Macomber, in addition to Ernst & Young and "Does 1 through 20". Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

American National Insurance Co., et al. v. Richard S. Fuld, Jr., et al.:

The complaint in this action, filed on February 5, 2009 in Texas state court, names as defendants Richard S. Fuld, Jr., Christopher O'Meara, Joseph M. Gregory, Erin Callan, Ian Lowitt, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, and John D.

Macomber, in addition to Ernst & Young, several underwriter defendants, and “Does 1 through 20”. Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. The underwriter defendants are being represented by Cleary, Gottlieb Steen & Hamilton. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

County of Tuolumne v. Ernst & Young LLP, et al.:

The complaint in this action, filed on February 13, 2009 in California state court, names as defendants Richard S. Fuld, Jr., Christopher O’Meara, Erin Callan, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, and John D. Macomber, in addition to Ernst & Young and “Does 1 through 20”. Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

City of San Buenaventura v. Richard S. Fuld, Jr., et al.:

The complaint in this action, filed on February 17, 2009 in California state court, names as defendants Richard S. Fuld, Jr., Christopher O’Meara, Joseph M. Gregory, Erin Callan, Ian Lowitt, David Goldfarb, John F. Akers, Roger S. Berlind, Marsha Johnson Evans, Roland A. Hernandez and Henry Kaufman, in addition to Ernst & Young and “Does 1 through 20”. Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

City of Burbank v. Richard S. Fuld, Jr., et al.:

The complaint in this action, filed on February 18, 2009 in California state court, names as defendants Richard S. Fuld, Jr., Christopher O’Meara, Joseph M. Gregory, Erin Callan, Ian Lowitt, David Goldfarb, John F. Akers, Roger S. Berlind, Marsha Johnson Evans, Roland A. Hernandez and Henry Kaufman, in addition to Ernst & Young and “Does 1 through 20”. Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

City of Auburn v. Richard S. Fuld, Jr., et al.:

The complaint in this action, filed on February 19, 2009 in California state court, names as defendants Richard S. Fuld, Jr., Christopher O’Meara, Joseph M. Gregory, Erin Callan, Ian Lowitt, David Goldfarb, John F. Akers, Roger S. Berlind, Marsha Johnson Evans, Roland A. Hernandez and Henry Kaufman, in addition to Ernst & Young and “Does 1 through 20”.

Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

City of Fremont v. Citigroup Global Markets, Inc., et al.:

The complaint in this action, filed on February 24, 2009 in California state court, names as defendants Richard S. Fuld, Jr., Christopher O'Meara, Erin Callan, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, and John D. Macomber, in addition to Ernst & Young, three underwriter defendants, and "Does 1 through 20". Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. The underwriter defendants are being represented by Cleary, Gottlieb Steen & Hamilton. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

The State of New Jersey, Department of Treasury, Division of Investment v. Richard Fuld, Jr., et al.:

The complaint in this action, filed on March 17, 2009 in New Jersey state court, names as defendants Richard S. Fuld, Jr., Christopher O'Meara, Joseph M. Gregory, Erin Callan, Ian Lowitt, David Goldfarb, Herbert H. McDade III, Thomas Russo, Mark Walsh, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, and John D. Macomber, in addition to Ernst & Young LLP. Simpson Thacher represents the individual named defendants, with the exception of Erin Callan, who has retained Proskauer Rose, and Herbert McDade, who has retained Williams & Connolly. Simpson Thacher is acting as local counsel for Richard S. Fuld, Jr. in California and Allen & Overy LLP has been retained as his additional counsel. Ernst & Young is being represented by Mayer Brown Rowe & Maw.

EXHIBIT C TO THE AFFIDAVIT

**SUPPLEMENTAL DISCLOSURE REGARDING SIMPSON THACHER CLIENTS
POTENTIALLY ADVERSE TO THE DEBTORS SET FORTH IN EXHIBIT B TO THE
OCTOBER 31, 2008 McGARRY AFFIDAVIT**

<u>Client Name</u>
Northwood Investors
GSO Capital Partners
JPMorgan Chase Bank, N.A.
Toronto Dominion
Citibank N.A.
Bank of America
Banque Paribas